

January 4, 2012

To: Members of the Senate Committee on Financial Institutions and Rural Issues  
From: Sen. Glenn Grothman  
Re: Senate Bill 356

Thank you for taking the time to consider this simple and bipartisan bill.

Under current law, credit unions are limited to spending 0.5% of their regular reserves on donations and grants annually. State statutes do not appear to limit charitable giving of any other business, including cooperatives, in this manner.

This bill increases the limit to 1.0% of regular reserves annually, and creates a new requirement that charitable spending be “in the best interest of the credit union” and “reasonable given the size and financial condition of the credit union.” The local governing board will be responsible both to its members and to the Credit Union Review Board to ensure that these standards are met.

This proposal addresses credit unions’ desire to have greater latitude for providing donations and contributions. In short, this will allow credit unions to be highly active in their communities in a manner consistent with the direction set by their boards of directors, which are elected from the general membership.



January 3, 2012

Re: Support Senate Bill 356

Dear Honorable Members of the Senate Committee on Financial Institutions and Rural Affairs:

On behalf of Wisconsin's more than 200 financial cooperatives and their 2.2 million member-owners, we wish to share our support of Senate Bill 356 (SB 356), relating to donations and grants made by credit unions.

Credit unions have maintained their strong financial positions in recent years despite the troubled economy. According to Charity Navigator, the down economy brought a general reduction in charitable giving in 2008 and '09. Donations rose in 2010 and '11 but they did not keep pace with community and charity needs in those years.

While current law provides that credit unions may make contributions or donations to charitable or community organizations, the limit on the amount of the contributions has not been modified since its establishment 40 years ago in 1971.

As a consequence, credit unions are requesting greater latitude for providing donations and contributions. If the current regulatory limit is not raised, credit unions may be required to reduce contributions, divide them over multiple years, or reconsider making them at all.

SB 356 also contains a new framework to guide when and if donations may be made by a credit union. This framework is essentially codifying current practices utilized by credit unions where the Board of Directors – who are elected from the general membership – approve donations if, and only if, the credit union is financially fit and it is in the interest of the credit union.

SB 356 will allow credit unions to continue to be highly active in their communities in a thoughtful and measured way.

Wisconsin's member-owned financial institutions are vested in and committed to making significant contributions to the communities they serve. Increasing the limitation on charitable giving in a structured manner will ensure they can continue to do so in the future.

Thank you for your consideration and support,

**Tom Liebe**  
*Vice President - Government Affairs*

Corporate Office: N25W23131 Paul Road, Suite 500, Pewaukee, Wisconsin 53072-5779

Credit Union House: 1 East Main St., Suite 101, Madison, Wisconsin 53703-5109

Phone: (262) 549-0200 or (800) 242-0833 Fax: (262) 549-7722 Web: [www.theleague.coop](http://www.theleague.coop)

Member Credit Union National Association

December 29, 2011

Senate Financial Institutions and Rural Affairs Committee

Dear members of the committee:

UW Credit Union is in full support of the proposed legislation (SB 356) to increase the annual charitable contribution limit from 0.5% of regular reserves to 1.0% for all state chartered credit unions. In 2008 this limit caused unnecessary complexity for us which resulted in limiting the assistance we could offer to young adults in the state. That year we earned unexpected income from the sale of Visa Corporation stock, and our Board of Directors felt the best use of that money was to establish needs-based scholarship funds for students attending University of Wisconsin schools and Madison College (formerly Madison Area Technical College).

We were ultimately able to leverage that income in a matching program with our credit union members to create scholarships in excess of \$1.5 million for high-achieving young adults who are otherwise unable to pay the cost of college. However, the 0.5% limitation on our charitable contributions (which was established 40 years ago) meant that we had to delay the distribution of those gifts and spread them out over multiple years. We could have funded our scholarship programs earlier for students had the law permitted a more reasonable level of charitable contributions, and those gifts would not have negatively impacted our safety or soundness.

Sincerely,

Paul Kundert  
President & CEO



January 3, 2012

Senate Financial Institutions and Rural Affairs Committee

Dear members of the committee:

Glacier Hills Credit Union is in full support of the proposed legislation, SB 356, to increase the annual charitable contribution limit from 0.5% of Regular Reserves to 1.0% for all state chartered credit unions. The reason for this support is because we are very strong believers in the Credit Union philosophy of people helping people. Obviously that means working to help our members. But as a community chartered credit union that responsibility also goes to the communities we serve.

We have actively supported many charities in Washington County and will continue to do so with or without the increase. But we believe this legislation is important for us to be able to serve our communities in case there is a severe emergency affecting many in our area. Two years ago, we had a fire that severely damaged a large apartment complex in West Bend that affected a number of our members. We asked our membership to help us collect household goods to get them back on their feet and provided some financial support. We were able to do so within the cap. What would have been needed had this been a tornado destroying many homes? With the larger limit, we would be able help many more people. Will we need that limit often, probably not? But, by having the higher limit available if an emergency strikes, we would be able to help our members and communities better.

I urge you to pass SB 356 increasing the allowable amount of charitable contributions for state chartered credit unions to 1% of our Regular Reserve. Please let me know what questions you may have.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dennis D. Degenhardt", followed by a stylized flourish.

Dennis D. Degenhardt  
President/CEO



# St. Mary's & Affiliates Credit Union

700 S. Park Street

Madison, Wisconsin 53715

Phone: (608) 258-5062

January 3, 2012

Senate Financial institutions & Rural Affairs Committee

Dear Committee Members,

I am writing this letter in support of SB 356 pertaining to increasing the amount credit unions can make annually in charitable donations and grants.

Currently, credit unions are restricted to 0.5% of regular reserves to donate to charitable causes. SB 356 will double this amount to 1.00% of regular reserves, allowing credit unions to double the amount of charity to their respective communities.

St. Mary's & Affiliates Credit Union is a closed chartered credit union with \$30.2 million in assets serving 4,300 members. We are a very financially sound and healthy institution, enabling us to assist our primary sponsor, St. Mary's Hospital and their affiliate organizations, in contributing to their charitable causes.

We are very closely aligned to St. Mary's Hospital in regard to their charitable contributions however we are restrained as to how much we can assist their causes by the cap on the amount of charitable donations we can make. Under the current 0.5% we are able to make donations up to \$1,980 annually. If passed, SB 356 would enable us to double that amount to \$3,960 on an annual basis.

The passage of this bill is very important to us, as the hospital participates in so many wonderful causes that the credit union would like to support. The annual March of Dimes walk for healthier babies is a huge endeavor each year that the hospital sponsors. Most recently, St. Mary's Hospital of Madison will be adding a new Ronald McDonald House wing to the hospital enabling as many as five families at a time to stay with their sick children while they are being treated. There are many opportunities for the credit union to show their support for this worthwhile cause and we would love to do so!

St. Mary's Hospital also partners with Lincoln Elementary School, sponsoring many activities though out the year. Every August is the annual back to school supply drive, each November is the annual Thanksgiving basket drive to ensure every child has a Thanksgiving meal. St. Mary's & Affiliates Credit Union has helped sponsor these events the past few years and plans to continue to do so.

# St♥Mary's & Affiliates Credit Union

700 S. Park Street

Madison, Wisconsin 53715

Phone: (608) 258-5062

The credit union also participates in many charitable donations aside from St. Mary's Hospital. Just this past December, we held a snowflake drive for our members. For every member who simply filled out their name on a snowflake, the credit union donated \$1 towards two families that the credit union "adopted" for Christmas. If a member wished to make an additional donation they could. Our goal was to raise \$400 for gifts for our two adopted families and donate the remaining funds to the Goodman Community Center. We had enough funds to sponsor our adopted families as well as give \$147 to the Goodman Community Center.

These are just a few of many examples that St. Mary's & Affiliates Credit Union has done to help both the St. Mary's community as well as the Madison community. We are proud to be in a position to be able to help our fellow citizens in times of need, especially this past year.

Credit Unions have always been an important part of our economic infrastructure. They were there in the dire times of the great depression and just recently during the great recession. It is our "people helping people" philosophy that has carried us for the past 100 years and will continue to do so into the future.

In view of this, I strongly urge you to pass SB 356 increasing the amount of charitable donations to 1.00% of regular reserves. Please do not hesitate to contact me with any questions, concerns or if you would like any further information on this topic.

Thank you for your consideration.

Respectfully Submitted,

Michele L. Lehmann  
President

cc: G.A.C. file

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## Who We Support

[Home](#) > [Community Support](#)

As a member-owned, not-for-profit financial cooperative, CitizensFirst has had a long history of philanthropy for events, causes and organizations which help make our communities better places to live, work and play.

2010 was no exception. In 2010, CitizensFirst members, through their ownership, contributed financial, in-kind and volunteer support to home-related causes, financial literacy, family events, the arts, children's causes, scholarships for high school seniors and economic development to support business growth and work opportunities.

Highlights included Nutcracker in the Castle at The Paine Art Center & Gardens, Christmas Around the World at the Children's Museum of Fond du Lac, hosting the Annual Holiday Parade in downtown Fond du Lac, Leach Amphitheater, Pollack Pool, Money Smart Week, The Boys & Girls Club, Grand Opera House, The Women's Fund, Habitat for Humanity Build Day, Fall Tour of Homes, Taste of Home, Walleye Weekend and much, much more.

- AAA Life Resource Center
- A/C Fond du Lac Partners in Education
- ADVOCAP
- Affinity Health System
- Altrusa Int'l Club of Oshkosh
- AM Vets
- American Cancer Society
- American Red Cross
- Appleton Art Center
- Aurora Health Foundation
- Aurora Medical Center & Clinic
- Big Brothers, Big Sisters
- Boy Scouts
- Bridges of Hope
- Business Networking International
- Center for Credit Union Board Excellence
- Cerebral Palsy of Mideast Wisconsin
- Chamco Inc.
- Children's Miracle Network of Fox Valley
- Children's Museum of Fond du Lac
- Christine Ann Domestic Abuse
- City of Oshkosh
- Oshkosh Celebration of Lights
- Oshkosh Chamber of Commerce
- Oshkosh Chamber Partners in Education
- Oshkosh Choraliers
- Oshkosh Christian Schools
- Oshkosh Convention & Visitors Bureau
- Oshkosh Crusade for Kids
- Oshkosh D.A.R.E. Program
- Oshkosh Dragonboat Race & Festival
- Oshkosh Family Inc.
- Oshkosh Fine Arts Association
- Oshkosh Food Pantry
- Oshkosh Ice Hawks WIAA Hockey Team
- Oshkosh Irish Fest
- Oshkosh Jaycees
- Oshkosh North Booster Club
- Oshkosh North High School
- Oshkosh Oktoberfest
- Oshkosh Police Department
- Oshkosh Public Library
- Oshkosh Public Museum
- The Oshkosh Redevelopment Authority



- City of Oshkosh Parks & Recreation
- City of Oshkosh Redevelopment Authority
- Credit Union Executives Society
- Crime Stoppers of Winnebago County
- Diverse Options
- Downtown Fond du Lac Partnership
- Drug Abuse Resistance Education
- EAA
- Emergency Shelter of the Fox Valley
- Evergreen Retirement Community Foundation
- Excellence in Leadership
- Father Carr's Meal Program
- Fields of Honor Military Museum
- Fond du Lac Area Community Foundation
- Fond du Lac Association of Commerce
- Fond du Lac Christmas Parade
- Fond du Lac Festivals, Inc
- Fond du Lac Habitat for Humanity
- Fond du Lac Humane Society
- Fond du Lac Noon Kiwanis
- Fond du Lac Red Cross
- Fond du Lac Rotary
- Fond du Lac School District
- Fond du Lac Women's Fund
- Fox Cities Chamber of Commerce
- Fox Cities Performing Arts Center
- Fox Valley Humane Society
- Fox Valley Lutheran High School
- Fox Valley Technical College
- Fox Valley Thrift
- Fox Valley Work Force Development
- Girl Scouts of the Fox Valley
- Goodwill Industries of Northeast WI
- Grand Opera House
- Habitat for Humanity
- Harbor House
- Healing Heart Foundation, Inc.
- Healing Heart Pet Hospice
- Heckrodt Wetland Reserve
- Home Builders Association of Fond du Lac & Dodge Counties
- Jules Touch of Silver Twirling Corps
- Junior Achievement
- Junior Rotary Program
- Leach Amphitheater
- Leadership Fond du Lac
- Leadership Oshkosh
- Lourdes High School
- March of Dimes
- Marian University
- Meals on Wheels
- Menasha Public Library
- Mercy Health Foundation
- Moraine Park Technical College
- Neenah Animal Shelter
- Neenah Historical Society
- Neenah Public Library
- Neenah Public Schools
- Nekimi Volunteer Fire Department
- Nutcrackers on the Town
- Omro Chamber of Commerce
- Omro Food Pantry
- Oshkosh Rotaract
- Oshkosh Rotary
- Oshkosh School District
- Oshkosh Senior's Center
- Oshkosh Speedzone
- Oshkosh Symphony Orchestra
- Oshkosh West High School
- Oshkosh Women's Fund
- Oshkosh YMCA
- Oshkosh Youth Baseball
- Oshkosh Youth Basketball
- Oshkosh Youth Hockey
- Oshkosh Youth Symphony Orchestra
- Paine Art Center & Gardens
- PALS reading program
- Poolack Pool
- Propel
- Rayhide Boys Ranch
- Reach Counseling Services
- Realtors Association of Northeast WI
- Ripon College
- Salvation Army
- Second Harvest Food Pantry
- Service League Inc.
- Special Olympics of NE Wisconsin
- Springbrook Sportsmen's Club
- Susan G. Koman for the Cure
- Take Back the Night
- TEMPO Fox Valley
- The Women's Fund
- Unified Catholic Schools
- United Cerebral Palsy
- United Way
- UW-Fond du Lac
- UW-Fond du Lac Performing Arts Series
- UW Oshkosh
- UW Oshkosh Alumni Fund
- UW Oshkosh Foundation
- Van Dyne Lions/Lioness Club
- Volunteer Center of Fond du Lac County
- Walleye Weekend
- Water City Chamber Orchestra
- W.A.V.E. Robotics
- Winnebago Chapter of Credit Unions
- Winnebago Conflict Resolution Center
- Winnebago County Literacy Council
- Winnebago Crime Stoppers
- Winnebago Home Builders Association
- Winnebago Lutheran Academy
- Winneconne Assistance Center
- Winneconne Area United Fund
- Winneconne Public Library
- Wisconsin Credit Union League
- Wisconsin Law Foundation
- Wisconsin Trust Account Foundation
- Women in Management of Oshkosh
- Youth Leadership Fond du Lac
- Youth Leadership Oshkosh



- Oniro Volunteer Fire Department
- Oshkosh Area Community Foundation
- Oshkosh Area Economic Development Corp
- Oshkosh Area Humane Society
- Oshkosh Area Hunger Task Force
- Oshkosh Boys & Girls Club

**CitizensFirst Credit Union**

P.O. Box 3046  
Oshkosh, WI 54903-3046  
Local: 920-236-7040  
Toll-Free: 800-448-9228  
info@citizensfirst.com  
Routing #275981187

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Do more. Start here.

## Charitable Giving Partners

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In this time of great need, we're glad Summit is in a position to reach out to more people than ever. We took action. We inspired. We encouraged members. We enhanced our communities. All in an effort to support our credit union philosophy of people helping people. Our unwavering commitment to community involvement is focused on four key areas: health, hunger, home ownership and financial education.

### [Bike for Boys & Girls Club](#)

Summit raised funds, made a corporate donation and had a team of bikers at the annual Bike for Boys & Girls Club race. Contributions provided programs to inspire and enable our youth to realize their full potential.

### [Common Wealth Development](#)

Common Wealth Development has a commitment to preserve the vitality of Madison's Williamson-Marquette neighborhood. They participate in many projects to improve the housing and business climate of the neighborhood, and have initiated important community development projects. Summit's mentoring and financial education at Common Wealth Development supports low-income teens.

### [East Madison Community Center \(EMCC\)](#)

The EMCC is a multi-service center providing social, educational, recreational, and cultural programming for Madison's east side community. In addition, the EMCC has a food pantry and educates children on healthy eating habits. In 2008 Summit employees donated 138 gifts for the annual Holiday Party, provided financial education, and made financial contributions to aid in the costs of summer camp and the new addition to their facility. Summit was awarded the 2008 East Madison Community Center Community Partnership Award.

### [Financial Education Seminars](#)

In 2008 Summit provided over 50 financial education seminars on topics ranging from protecting credit to buying a home. Our educational outreach has reached individuals of all ages through school partnerships, non-profit partnerships, and community partnerships.

### [High School Scholarships](#)

In 2008 Summit visited over 10 area high schools to discuss student financial aid options, credit, and money management. Scholarships were awarded to eight area students in the school districts of Sun Prairie, Fort Atkinson, Monona Grove, Oregon, Madison, Waunakee and DeForest.

### [Juvenile Diabetes Research Foundation \(JDRF\)](#)

JDRF is the world's leading nonprofit, nongovernmental funder of diabetes research. Twenty-eight Summit employees participated in the Juvenile Diabetes Research Walk, contributing an impressive \$8,651 to the cause. Summit made an additional corporate donation.

### [Madison Children's Museum](#)

Madison Children's Museum (MCM) connects children with their families, their communities and the world beyond through discovery learning and creative play. In 2008 Summit made a financial contribution to the MCM's Capital Campaign, to aid in the renovation of their building. The new facility will greatly expand the museum's capacity to serve larger audiences in a strong program that emphasizes the arts, sciences, culture, health, civic engagement, and early learning.

### [Second Harvest Foodbank of Southern Wisconsin](#)

Second Harvest Foodbank of Southern Wisconsin distributes food to more than 400 charitable programs that feed the hungry in 16 southwestern Wisconsin counties. Through corporate, staff and member donations, Summit provided over 52,500 meals for individuals in 2008.

### [Simpson Street Free Press](#)

Summit partnered with the Simpson Street Free Press, Dane County's Teen Newspaper, to provide funds for a financial literacy section. Within this section over 23,000 teens explore topics such as the importance of saving, planning ahead, financial life skills, payday lenders, and the credit union difference.

### [Special Olympics DuRunRun](#)

Summit and the Wisconsin Special Olympics partnered to raise funds to support over 2000 athletes with cognitive disabilities in South Central Wisconsin. We raised \$19,155 and 246 children ages 2-10 participated in the event. More than 45 Summit staff volunteered at the event.

### [STAR Credit Union](#)

Summit created and provides ongoing support of the first and only independently chartered credit union for kids. With over 400 youth members, STAR Credit Union's mission is to help instill financial literacy and responsibility among members of the Boys & Girls Club of Dane County, Inc., by providing access to financial services and the opportunity to participate in the development and operation of the credit union.

### [Sunshine Place](#)

Sun Prairie's Sunshine Place houses a food pantry, clothing center, and other social service organizations, providing a "one-stop shop" for people in need. Summit was a major financial contributor to the construction of the building in 2007 and continues to support it through donations and staff involvement.

### [Susan G. Komen Race for the Cure](#)

Susan G. Komen strives to save lives and end breast cancer forever by empowering people, ensuring quality care for all and energizing science to find the cures.

Our participation in the 2008 Race for the Cure included a team of Summit walkers and a corporate donation.

#### [United Way](#)

Partnering with the United Way ensures that our funds will get to those most in need of them. Their Agenda for Change focuses mirror Summit's 4 key corporate citizenship areas: Health, Hunger, Financial Education and Home Ownership. Summit's participation includes a corporate contribution and employee contributions through payroll deduction and special events. In 2008 we increased staff participation by twenty pledges, with more than 75% staff participating.

#### [YWCA-Second Chance Program](#)

The Second Chance Program is a collaboration between various Madison organizations that provides families that have not rented before, or have had difficulty maintaining housing in the past, with case management, education and skills. Summit staff conduct ongoing financial education to 250 program participants.

#### **Other Charitable Giving Partners**

- [A Fund for Women](#)
- [Bayview Foundation](#)
- [Centro Hispano](#)
- [Financial Education Center](#)
- [Foundation for Madison Public Schools](#)
- [Sun Prairie Education Foundation](#)
- [Sun Prairie Business and Education Partnership](#)
- [The Road Home](#)

To request a donation or sponsorship, please [submit a donation request](#)

#### [Comments](#)



**State of Wisconsin**  
*Department of Financial Institutions*

Scott Walker, **Governor**

Peter Bildsten, **Secretary**

January 4, 2012

Senator Glenn Grothman  
Chair, Senate Committee on Financial Institutions and Rural Issues  
Room 10 South  
State Capitol  
Madison, WI 53708

Dear Chairman Grothman and Members of the Committee,

On behalf of the Department of Financial Institutions, thank you for the opportunity to provide information in regards to Senate Bill 356.

We are submitting this statement to provide background on the proposed change. Current law specifies a credit union may make donations and grants not to exceed .5 percent of its regular reserve within the year. This proposal would double that limit to 1 percent. This small increase could have great benefit to local charities without putting the financial institution at risk. In comparison, federally chartered credit unions do not have a cap on contribution limits.

Current law does not specify that the donation or grant must be approved by the state credit union's board of directors. Under this proposal, every donation or grant must be approved by the directors based on whether or not it is the best interest of the credit union and is reasonable given the size and financial condition of the credit union. This additional approval language reflects the statutory language that federal credit unions must comply with and codifies what we see as current practices during the examination process.

DFI is responsible for ensuring the safety and soundness of all of Wisconsin's credit unions for their members and the public. We review all of the actions taken by credit unions during our examination of the institutions and we are pleased with the addition of the board of director's approval language to the state statutes.

Again, thank you for allowing us to submit information in regards to Senate Bill 356.

Sincerely,

Eric Knight  
Executive Assistant  
Department of Financial Institutions

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*Office of the Secretary*

Mail: PO Box 8861 Madison, WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5<sup>th</sup> Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: [www.wdfi.org](http://www.wdfi.org)